

Message Text

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PAGE 01 STATE 156904
ORIGIN XMB-04

INFO OCT-01 NEA-10 ISO-00 FS-01 EB-07 /023 R

EXIMBANK

DRAFTED BY XMB JJ SEICHTER:LSH
APPROVED BY EB/IFD/ODF:JABWINDER
XMB: JOSEPH R. WILLIAMS
NEA/ARN:CNAAS
-----076663 070013Z /64
P 062158Z JUL 77
FM SECSTATE WASHDC
TO AMEMBASSY TEHRAN PRIORITY

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ATTENTION: MS. LANGE SCHERMERHORN

E.O. 11652: N/A

TAGS: BPRO

SUBJECT: DIESEL AUTO PART CORPORATION (DAP)

1. EXIMBANK RECENTLY WAS INFORMED ON A CONFIDENTIAL BASIS THAT THERE HAS BEEN A SUDDEN DETERIORATION IN THE REFERENCED FIRM'S FINANCIAL CONDITION SINCE THE APRIL 23, 1977, VISIT OF MESSRS. WILLIAMS AND PROCTOR OF EXIMBANK'S STAFF. AT THE TIME OF THE APRIL 1977 VISIT THERE WERE NO INDICATIONS THAT THE FIRM'S FINANCIAL STATUS WAS OTHER THAN LIMITED OFFICIAL USE

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SATISFACTORY.

2. EXIMBANK HAS DIRECT EXPOSURE OF \$8,000,000 ON DAP UNDER THE FCIA INSURANCE PROGRAM. FCIA POLICIES ARE PERSONALLY GUARANTEED BY MR. ALI FOULADI AND CONTAIN A NEGATIVE PLEDGE ON INVENTORY AND ACCOUNTS RECEIVABLE, RESTRICTION OF DIVIDENDS, AND A SUBORDINATION OF ALL SHAREHOLDER LOANS TO DAP (\$6,800,000 AT MARCH 20, 1976).

3. EXIMBANK WOULD APPRECIATE AMEMBASSY MAKING DISCRETE INQUIRIES ON THE FIRM LOCALLY TO ASCERTAIN IF THERE IS ANY TRUTH TO THE ADVERSE ALLEGATION REGARDING THE FINANCIAL CONDITION OF DAP. DAP EXPOSURE IS ONE OF EXIMBANK'S LARGEST FOR IRANIAN PRIVATE SECTOR SUPPLIER CREDIT TRANSACTIONS. VANCE

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Message Attributes

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Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
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